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BEFORE THE STATE WATER RESOURCES CONTROL BOARD

In the Matter of the State Water Resources
Control Board (State Water Board)
Hearing to Determine whether to Adopt a
Draft Cease & Desist Order against
California American Water Regarding its
Diversion of Water from the Carmel River
in Monterey County under Order WR 95-10)

Hearing Date: August 7, 2008

Carmel River in Monterey County

EXHIBIT MPWMD-HS18

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

CORRECTIONS TO DIRECT TESTIMONY OF HENRIETTA STERN

- 1. As a follow-up to my oral testimony on July 25, 2008, I have had an opportunity to review materials in my files to confirm the accuracy of matters that I testified to in response to Question 5 (set forth at page 10 in MPWMD-HS1) at paragraph 35 and Question 6 (set forth at page 15, MPWMD-HS1) at paragraph 41, and the accuracy of the matters set forth on the table presented as Exhibit MPWMD-HS14. The matters presented in paragraph 35 on page 13, and paragraph 41 on page 15 of my written testimony (Exhibit MPWMD-HS1), the table presented as Exhibit MPWMD-HS14, and in my oral testimony relating to those materials have been in error. I have discovered that conflicts arose in my written and oral testimony. The table presented as Exhibit MPWMD-HS14 is an early draft version of that exhibit that is not accurate. This table was revised before I prepared my finalized testimony as presented in MPWMD-HS1, and I believed that the revised table was submitted for the Phase 2 hearing. However, the early and erroneous draft table was inadvertently presented as Exhibit MPWMD-HS14, instead of the final version upon which I relied for my prepared testimony. I did not discover this fact until during cross examination at the July 25, 2008 hearing.
 - 2. To correct this error, I wish to make the following corrections:
- a. I strike my response to Question 5, as set forth at paragraph 35 on page 13 (lines 13-22 inclusive), and to Question 6, as set forth at paragraph 41 on page 15 (lines 12 to 25 inclusive) in Exhibit MPWMD-HS1.
 - b. I withdraw Exhibit MPWMD-HS14, as presented.
- c. I wish to withdraw my oral testimony provided on Friday, July 25, 2008 relating to paragraph 35 and paragraph 41 of MPWMD-HS1, and relating to Exhibit MPWMD-HS14, as presented.

3. In place of the matters stricken pursuant to paragraph 2 above, I offer the following testimony as a substitute to my response to Question 5 at paragraph 35, and to question 6, at paragraph 41, of Exhibit MPWMD-HS1, as follows:

Response to Question 5 at Paragraph 35

35. MPWMD has certified an EIR and constructed only Phase 1 of its ASR project, with a potential incremental yield of 920 AFY, on average. However, there is presently inadequate CAW infrastructure to enable full use of the two Phase 1 ASR injection wells. Current yield capacity is about 310 AFY in an average year (defined as 70 days of injection) due to a limited injection capability of 1,000 gallons per minute (4.42 AF/day). Once defined, this infrastructure will need to go through the CEQA/NEPA process and obtain various permits, depending on property ownership when an application is made. MPWMD and CAW are meeting regularly to determine the specific improvements to CAW infrastructure that are needed to facilitate full use of Phase 1 as well as an expanded ASR project in the future. It is anticipated that the Phase 1 ASR Project should be fully operational in Water Year 2010.

Response to Question 6 at Paragraph 41

41. First, any CAW production cutbacks in a final CDO should consider the combined effect of the CDO and the Seaside Basin adjudication decision, as summarized in **Exhibit MPWMD-HS13**, not just the CDO alone. Second, specific production cutbacks should be tied to realistic and achievable water project yield timelines as well as reasonable conservation measures. **Exhibit MPWMD-HS14** shows that an estimated 1,670 AFY in yield from new water projects can be expected in the next two years; another 1,000 AFY would be available in Water Year 2012; then no major new source of

supply is likely to be available until after Water Year 2016. Thus, conservation must make up the difference. Given the increasingly onerous reduction amounts after year 2013, with no reasonably foreseeable water project currently identified to provide yield, one may question whether conservation alone is reasonable or realistic to achieve additional savings of 2,100 AFY to over 4,200 AFY in the years 2013 through 2015, especially considering the significant conservation savings the community has already achieved through 2008, and the additional savings that will be required between 2009 and 2012 if the CDO is adopted.

- 4. In place of the withdrawn Exhibit MPWMD-HS14, I wish to present the attached table as a corrected **Exhibit MPWMD-HS14-B**.
- 5. This completes the corrections to the testimony previously submitted by me in this matter.

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Exhibit MPWMD-HS14-B

(Replaces Exhibit MPWMD-HS14)

Summary of Water Supply Project Yield as Compared to CAW Cutbacks Required by Draft CDO and Seaside Basin Adjudication Decision

Prepared by Henrietta Stern, MPWMD Project Manager Original Table Revised June 30, 2008 at 6:00 PM

Water Year	Estimated New Yield from Water Projects Acre-feet per year (AFY)	Cumul. Total New Yield (AFY)	Required Reduction (AFY) CDO and adjudication	Yield Deficit (AFY) Provide from conservation or other means
2008	Base	0	Base	n/a
2009	310 from Phase 1 ASR ¹ (partial); 300 from Sand City desal ² 150 from Pebble Beach Reclam ³	760	2,006	1,246
2010	610 remainder of 920 AFY from Phase 1 ASR ¹ 300 from RUWAP reclaimed water (MCWD/MRWPCA) ⁴	1,670	2,110	440
2011	None identified as of June 2008	1,670	2,674	1,004
2012	1,000 from Phase 2 ASR ⁵ ;	2,670	3,092	422
2013	None identified as of June 2008	2,670	4,785	2,115
2014	None identified as of June 2008	2,670	4.785	2,115
2015	None identified as of June 2008	2,670	6,896	4,226
2016+	8,400-12,000, depending on desalination project selected; deduct 206 AFY from Sand City desal project as City builds out	At least 10,920	0	0

Notes:

- 1. 310 AFY based on average year (70 days of diversion) and currently limited CAW injection capability of 1,000 gallons per minute (gpm) or 4.42 AF/day). This is roughly one-third of Phase 1 average yield described in project EIR, which is 920 AFY at full capacity (injection of 3000 gpm or 13.26 AF/day).
- 2. Based on yield described in project EIR and construction schedule per City of Sand City.
- 3. Based on estimated completion of micro-filtration reverse osmosis treatment project by Carmel Area Wastewater District for Pebble Beach Reclamation Project.
- 4. Based on information provided by project proponents in MPWMD Comparative Matrix, March 2008.
- 5. Estimated yield and schedule; see testimony of Joseph Oliver, MPWMD Water Resources Division Manager.